

By: King of Taylor

H.B. No. 2118

A BILL TO BE ENTITLED

AN ACT

relating to the exclusion of certain territory from the Hamlin Hospital District and to the procedures for the dissolution of the district; authorizing the imposition of a tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1037, Special District Local Laws Code, is amended by adding Subchapters G and H to read as follows:

SUBCHAPTER G. CHANGE IN BOUNDARIES

Sec. 1037.301. PETITION TO EXCLUDE TERRITORY FROM DISTRICT.

(a) Registered voters of a defined territory included in the district may file a petition with the board requesting that the defined territory be excluded from the district.

(b) The petition must be signed by at least 50 registered voters of the territory or a majority of those voters, whichever is fewer.

Sec. 1037.302. ELECTION. (a) On receipt of a petition filed under Section 1037.301, the board shall order an election on the question of excluding the territory described in the petition from the district.

(b) Exclusion of the territory is final when approved by a majority of the voters at:

(1) an election held in the district; and

(2) a separate election held in the territory to be excluded.

1        (c) The election shall be held not earlier than the 45th day  
2 and not later than the 60th day after the date the election is  
3 ordered.

4        (d) The election order must state:

5            (1) the nature of the election, including the  
6 proposition to appear on the ballot;

7            (2) the date of the election;

8            (3) the hours during which the polls will be open; and

9            (4) the location of the polling places.

10        (e) Section 41.001(a), Election Code, does not apply to an  
11 election held under this section.

12        Sec. 1037.303. NOTICE OF ELECTION. (a) The board shall  
13 give notice of an election under Section 1037.302 by publishing  
14 once a week for two consecutive weeks a substantial copy of the  
15 election order in a newspaper with general circulation in:

16            (1) the district; and

17            (2) the territory proposed to be excluded from the  
18 district.

19        (b) The first publication of the notice must appear at least  
20 35 days before the date of the election.

21        Sec. 1037.304. BALLOT. The ballot for an election under  
22 Section 1037.302 shall be printed to permit voting for or against  
23 the proposition: "Excluding (description of territory to be  
24 excluded) from the Hamlin Hospital District."

25        Sec. 1037.305. SATISFACTION OF PROPORTIONATE SHARE OF DEBT.  
26 The exclusion of territory under this subchapter does not diminish  
27 or impair the rights of the holders of any outstanding and unpaid

1 bonds, warrants, or other district obligations. The district shall  
2 continue to impose taxes each year on the excluded territory at the  
3 same rate imposed on other territory in the district until the total  
4 amount of taxes collected from the excluded territory equals its  
5 pro rata share of the indebtedness of the district at the time the  
6 territory was excluded. The taxes collected under this section  
7 shall be applied only to the payment of the excluded territory's pro  
8 rata share of indebtedness. The owner of all or part of the  
9 excluded territory at any time may pay in full the owner's share of  
10 the excluded territory's pro rata share of the district's  
11 indebtedness at the time the territory was excluded.

12 Sec. 1037.306. EXCLUSION ORDER. After the territory to be  
13 excluded has paid its proportionate share of the district debt, the  
14 board shall enter a resolution in its minutes excluding the  
15 territory from the district and releasing the excluded territory  
16 from any further duty or obligation.

17 SUBCHAPTER H. DISSOLUTION

18 Sec. 1037.351. DISSOLUTION; ELECTION. (a) The district  
19 may be dissolved only on approval of a majority of the district  
20 voters voting in an election held for that purpose.

21 (b) The board may order an election on the question of  
22 dissolving the district and disposing of the district's assets and  
23 obligations.

24 (c) The board shall order an election if the board receives  
25 a petition requesting an election that is signed by at least 10  
26 percent of the registered voters in the district.

27 (d) The order calling the election must state:

1           (1) the nature of the election, including the  
2 proposition to appear on the ballot;

3           (2) the date of the election;

4           (3) the hours during which the polls will be open; and

5           (4) the location of the polling places.

6           (e) Section 41.001(a), Election Code, does not apply to an  
7 election ordered under this section.

8           Sec. 1037.352. NOTICE OF ELECTION. (a) The board shall  
9 give notice of an election under this subchapter by publishing once  
10 a week for two consecutive weeks a substantial copy of the election  
11 order in a newspaper with general circulation in the district.

12           (b) The first publication of the notice must appear not  
13 later than the 35th day before the date set for the election.

14           Sec. 1037.353. BALLOT. The ballot for an election under  
15 this subchapter must be printed to permit voting for or against the  
16 proposition: "The dissolution of the Hamlin Hospital District."

17           Sec. 1037.354. ELECTION RESULTS. (a) If a majority of the  
18 votes in an election under this subchapter favor dissolution, the  
19 board shall find that the district is dissolved.

20           (b) If a majority of the votes in the election do not favor  
21 dissolution, the board shall continue to administer the district  
22 and another election on the question of dissolution may not be held  
23 before the first anniversary of the date of the most recent election  
24 to dissolve the district.

25           Sec. 1037.355. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

26           (a) If a majority of the votes in an election held under this  
27 subchapter favor dissolution, the board shall:

1           (1) transfer the land, buildings, improvements,  
2 equipment, and other assets that belong to the district to Jones  
3 County or another governmental entity in Jones County;

4           (2) sell the assets and liabilities to another person;  
5 or

6           (3) administer the property, assets, and debts until  
7 all money has been disposed of and all district debts have been paid  
8 or settled.

9           (b) If the board makes the transfer under Subsection (a)(1),  
10 the county or entity assumes all debts and obligations of the  
11 district at the time of the transfer, and the district is dissolved.

12           (c) If Subsections (a)(1) and (2) do not apply and the board  
13 administers the property, assets, and debts of the district under  
14 Subsection (a)(3), the district is dissolved when all money has  
15 been disposed of and all district debts have been paid or settled.

16           Sec. 1037.356. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

17           (a) The dissolution of the district and the sale or transfer of the  
18 district's assets and liabilities to another person may not  
19 contravene a trust indenture or bond resolution relating to the  
20 district's outstanding bonds. The dissolution and sale or  
21 transfer does not diminish or impair the rights of a holder of an  
22 outstanding bond, warrant, or other obligation of the district.

23           (b) The sale or transfer of the district's assets and  
24 liabilities must satisfy the debt and bond obligations of the  
25 district in a manner that protects the interests of district  
26 residents, including the residents' collective property rights in  
27 the district's assets.

1       (c) The district may not transfer or dispose of the  
2 district's assets except for due compensation unless:

3           (1) the transfer is made to another governmental  
4 entity that serves the district; and

5           (2) the transferred assets are to be used for the  
6 benefit of the district's residents.

7       Sec. 1037.357. IMPOSITION OF TAX AND RETURN OF SURPLUS  
8 TAXES. (a) After the board finds that the district is dissolved,  
9 the board shall:

10           (1) determine the debt owed by the district; and

11           (2) impose on the property included in the district's  
12 tax rolls a tax that is in proportion of the debt to the property  
13 value.

14       (b) On the payment of all outstanding debts and obligations  
15 of the district, the board shall order the secretary to return to  
16 each district taxpayer the taxpayer's pro rata share of all unused  
17 tax money.

18       (c) A taxpayer may request that the taxpayer's share of  
19 surplus tax money be credited to the taxpayer's county taxes. If a  
20 taxpayer requests the credit, the board shall direct the secretary  
21 to transmit the money to the county tax assessor-collector.

22       Sec. 1037.358. REPORT; DISSOLUTION ORDER. (a) After the  
23 district has paid all district debts and has disposed of all  
24 district money and other assets as prescribed by this subchapter,  
25 the board shall file a written report with the Commissioners Court  
26 of Jones County summarizing the board's actions in dissolving the  
27 district.

1        (b) Not later than the 10th day after the date the  
2 Commissioners Court of Jones County receives the report and  
3 determines that the requirements of this subchapter have been  
4 fulfilled, the commissioners court shall enter an order dissolving  
5 the district and releasing the board from any further duty or  
6 obligation.

7        SECTION 2. This Act takes effect September 1, 2013.